
GlobalDots
We Make IT Faster
Industry Report:
State of Cloud
Computing 2019

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Who Is GlobalDots?

GlobalDots is a leading web and cloud performance & security value-add-reseller with over 15 years of experience. Our unique positioning on the global market enables us to be at the forefront of every new technology and with that unique expertise we help our clients to quickly and cost effectively choose, test and deploy the best solutions to service their customer base.

Our clients range from Fortune 500 to small & medium enterprise to promising startups in practically every industry and vertical.

What makes us so unique is the fact that we work with practically every vendor in our industry and specific verticals. That enables our team to have an in-depth knowledge of every specific technology and solution - knowledge, real-world scenarios and use cases that internal IT teams often lack due to complexity and time needed to learn, analyze, test, deploy and monitor in production environments.

KEY INSIGHTS:

- **Enterprise cloud spending is on the rise** - cloud IT infrastructure spending increased to $57.2 billion, reflecting a 21.3 % increase over the previous year.

- **Cloud adoption is rising** - 77% of enterprises have at least one application or a portion of their enterprise computing infrastructure in the cloud.

- **Amazon Web Services dominates the cloud market** - market leader Amazon maintained its dominance as its market share nudged up a percentage point to 34%. It remains bigger than its next four competitors combined.

- **Kubernetes continues its steady rise in container environments globally** - half of all container organizations now run one or more orchestration technologies, and Kubernetes leads the way.

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Intro

The cloud has undoubtedly infiltrated the enterprise space – and it is here to stay. **Gartner Research** predicts that by 2025, 80 percent of companies will have opted to abandon their traditional data centers.

Cloud spend is on the rise, so much so that the International Data Corporation (IDC) recently upped its **2018 prediction** for cloud IT infrastructure spending to $57.2 billion, reflecting a 21.3 % increase over the previous year. With the apparent exponential growth of cloud computing, we decided to analyze the top cloud trends of 2018 and take a look at what might be next in 2019 and beyond.

What is cloud computing

Before we begin, a short overview of what cloud computing is.

Cloud computing describes the use of networks of remote servers - usually accessed over the Internet - to store, manage, and process data. As a segment of IT services, cloud computing generates billions of dollars in revenue annually and is showing very few signs of slowing down. For customers, cloud computing offers access to numerous technologies while lowering the barriers to entry, such as technical expertise or costs.

Typically, the cloud service market is divided into three primary service models, encompassing infrastructure, platforms, and software. Depending on business needs and security concerns, customers can also choose between private, public, or hybrid cloud deployment.

Enterprise cloud spending is on the rise

According to **RightScale**, enterprise cloud spend is significant and growing quickly.

- ☑ 26 percent of enterprises spend more than $6 million a year on public cloud, while 52 percent spend more than $1.2 million annually.
- ☑ 20 percent of enterprises more than doubled public cloud spend in 2018, and 71 percent will grow public cloud spend more than 20 percent.
- ☑ In contrast, only 23 percent of enterprises grew private cloud use by more than 50 percent in 2018.
- ☑ SMBs have smaller cloud bills (half spend under $10K per month) but 17 percent still plan to double that spend in 2018 and 62 percent will grow at least 20 percent.
- ☑ Only 17 percent of SMBs will grow private cloud use by more than 50 percent.

Enterprises predict they'll invest on average $3.5M on cloud apps, platforms, and services this year. 30% of all IT budgets are allocated to cloud computing this year, with the majority being SaaS (48%), IaaS (30%) and PaaS (21%). The average investment is soaring in cloud computing apps and platforms, with the average reaching $2.2M this year, up from $1.62M in 2016.

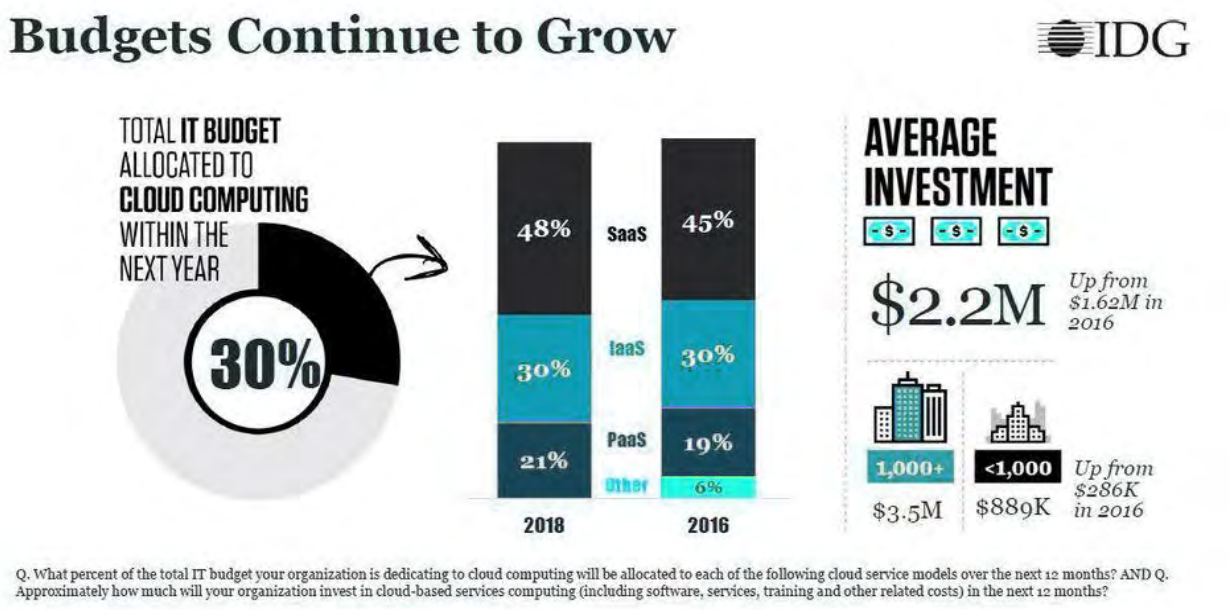

Image source: ***IDG.com***

Top Companies, Worldwide Cloud IT Infrastructure Vendor Revenue, Market Share, and Year-Over-Year Growth, Q1 2018
(Revenues are in Millions)

Company	1Q18 Revenue (US$M)	1Q18 Market Share	1Q17 Revenue (US$M)	1Q17 Market Share	1Q18/1Q17 Revenue Growth
1. Dell Inc	$2,049	15.9%	$1,217	13.7%	68.3%
2. HPE/New H3C Group**	$1,483	11.5%	$1,166	13.2%	27.2%
3. Cisco	$923	7.2%	$828	9.3%	11.4%
4. Inspur*	$533	4.1%	$193	2.2%	176.5%
4. Huawei*	$453	3.5%	$271	3.1%	67.1%
ODM Direct	$4,503	34.9%	$2,899	32.7%	55.3%
Others	$2,952	22.9%	$2,286	25.8%	29.1%
Total	$12,896	100.0%	$8,861	100.0%	45.5%

IDC's Quarterly Cloud IT Infrastructure Tracker, Q1 2018

Image source: ***IDG.com***

Cloud adoption is rising

77% of enterprises have at least one application or a portion of their enterprise computing infrastructure in the cloud. 15% of enterprises intend to adopt cloud apps and platforms in the next twelve months. The graphic below shows why cloud platforms are essential for enterprises pursuing digital business models that drive revenue growth.

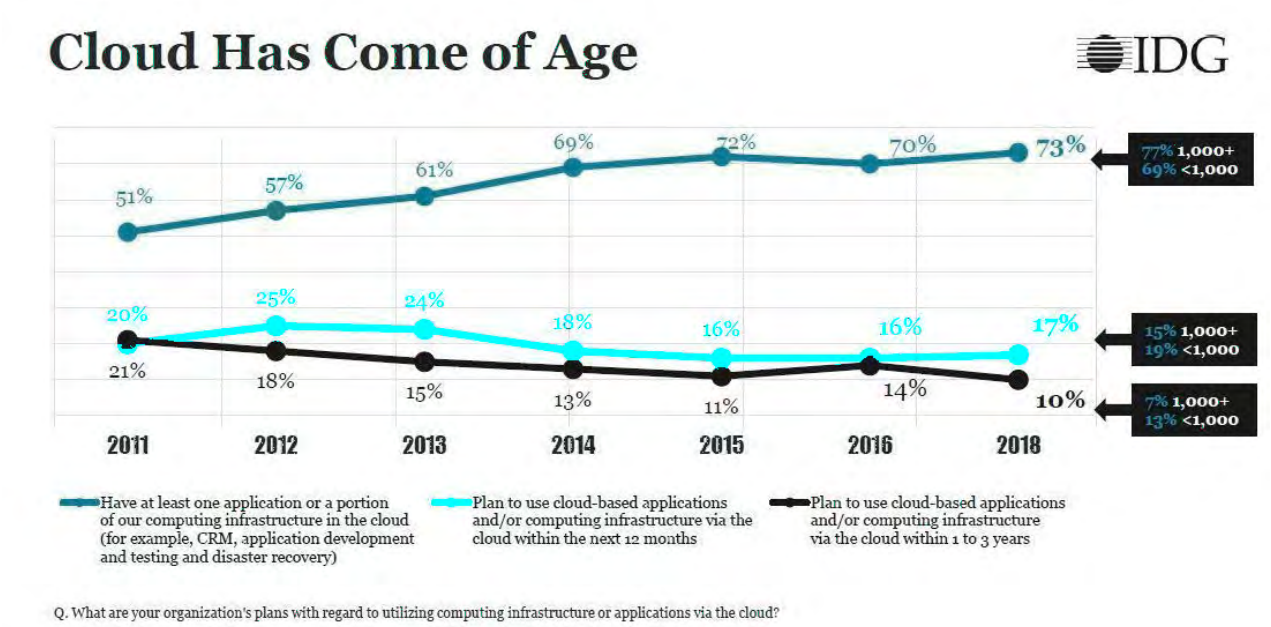

Image source: **IDG.com**

Amazon Web Services dominates the cloud market

New Q2 data from **Synergy Research Group** shows that spend on cloud infrastructure services jumped 50% from the second quarter of 2017. This was virtually in line with the growth rate achieved in the first quarter and was once again comfortably higher than growth rates achieved throughout 2017.

Revenue growth at Microsoft, Google and Alibaba far surpassed overall market growth rate, so all three gained market share, but market leader Amazon maintained its dominance as its market share nudged up a percentage point to 34%. It remains bigger than its next four competitors combined.

As these four cloud providers increase their grip on the market, it is the small-to-medium sized cloud operators who collectively have seen their market shares diminish; among the top 25 cloud providers, only three other companies have seen their market share increase significantly, though none of the three

has yet broken through the 1% market share threshold. Meanwhile IBM market share has been relatively stable at around 8%, thanks primarily to its strong leadership in hosted private cloud services.

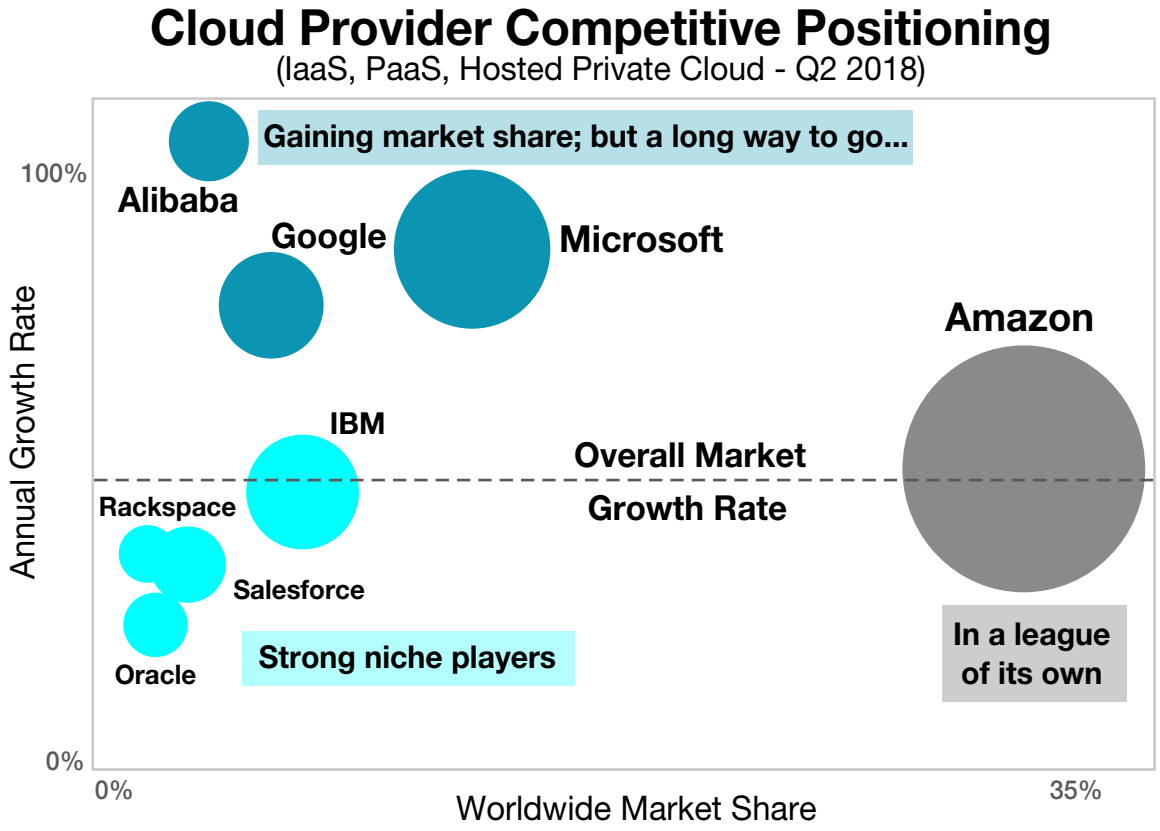

Image source: ***Srgresearch.com***

Kubernetes continues its steady rise in container environments globally

Containers are an open source technology that lets an application be packaged with everything it needs, to run the same in any environment. They offer the versatility of virtual machines — but at a much smaller footprint and cost. This makes containers a superb vehicle for getting applications to private or public clouds, and for lending greater agility to DevOps.

As application development teams are pressured to deliver software faster than ever, containers offer clear advantages. A **Forrester study** found that 66% of organizations who adopted containers experienced accelerated developer's efficiency, while 75% of companies achieved a moderate to significant increase in application deployment speed.

The use of containers is undoubtedly one of the hot topics in the IT industry at the moment. According to predictions from **451 Research**, the market is set to grow from $762 million in 2016 to $2.7 billion

by 2020 as businesses continue to leverage the performance, cost efficiency, and scalability benefits for running applications in the cloud.

The container orchestration market size is expected to grow from USD 326.1 million in 2018 to USD 743.3 million by 2023, at a Compound Annual Growth Rate (CAGR) of 17.9% during the forecast period. Major growth factors for the market include a large presence of open source vendors offering container orchestration platforms, increasing traction of microservices architecture, and proliferation of container orchestration tools.

According to **Datadog**, one third of their customers using containers now use Kubernetes, whether in self-managed clusters, or through a cloud service like Google Kubernetes Engine (GKE), Azure Kubernetes Service (AKS), or the new Amazon Elastic Container Service for Kubernetes (EKS). The graph below tracks Kubernetes usage across Datadog's entire customer base, whether in on-prem, public cloud, or private cloud environments.

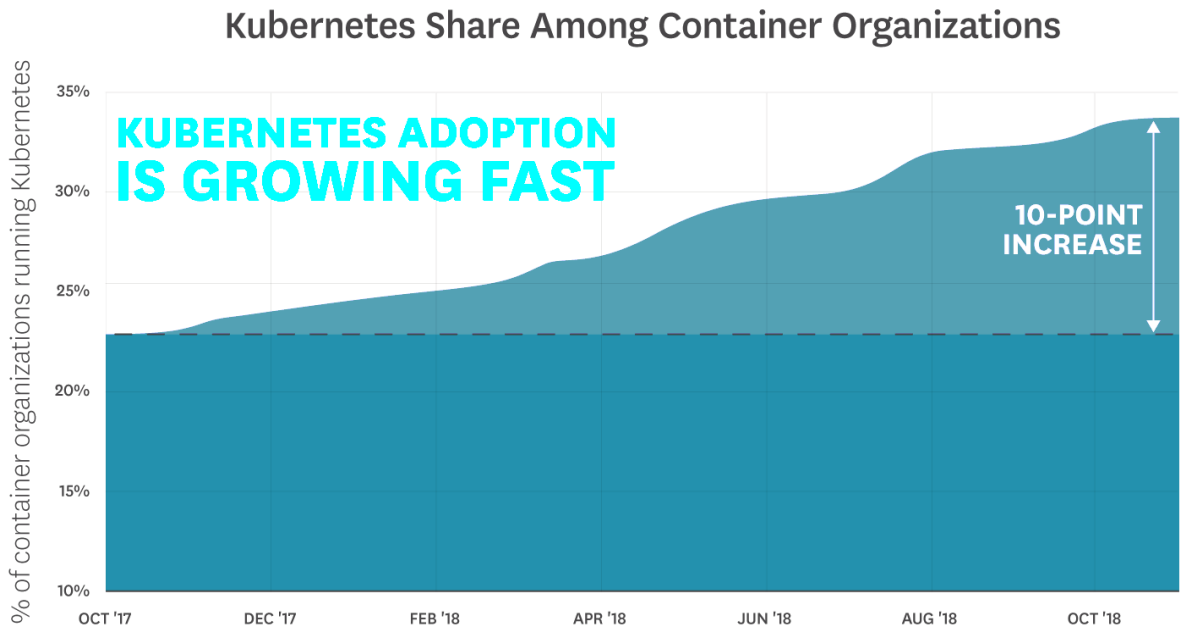

Image Source: ***datadoghq.com***

More and more, orchestration is being considered an essential feature of a container deployment. **Half of all container organizations now run one or more orchestration technologies, and a significant number of these companies included orchestration in their initial container deployment**. Data shows that more than 40 percent of organizations run Kubernetes or ECS when they first start using containers, with smaller numbers of organizations deploying containers with Fargate, Nomad, or Mesos from the start.

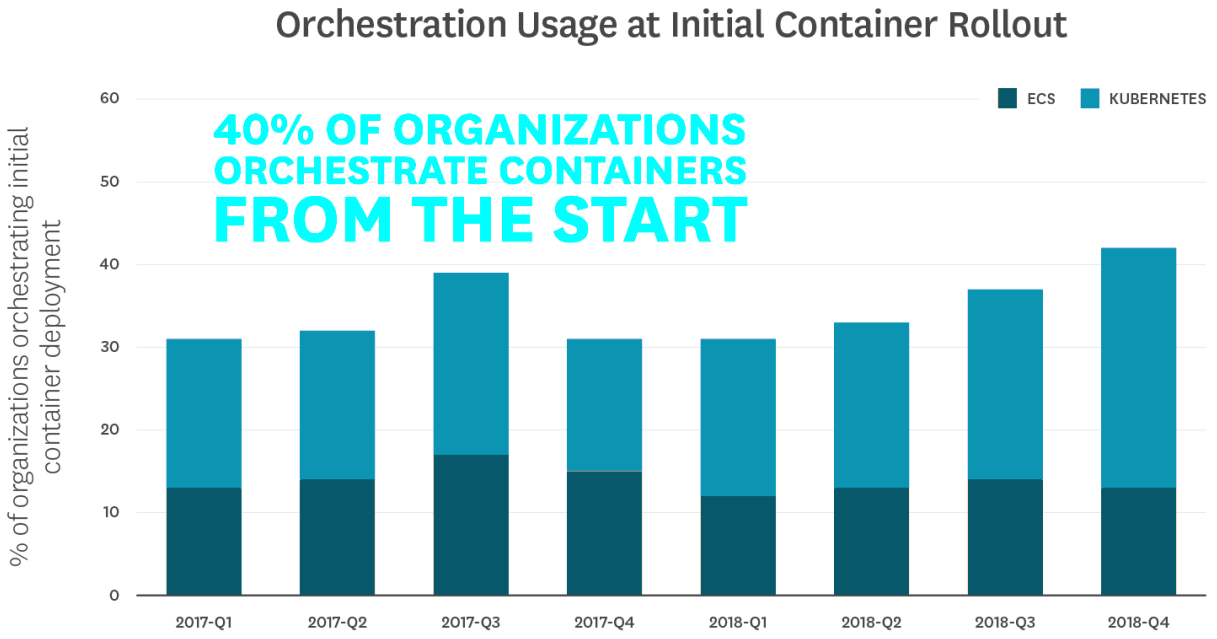

Image source: ***datadoghq.com***

Cloud performance optimization

Companies that adopt cloud infrastructure often look for ways to reduce their cloud spend and optimize their cloud environments. **GlobalDots has developed several state of the art solutions to provide you the best cloud performance optimization services.**

Elastic Compute Cloud

We offer a platform that can reduce EC2 costs by 50% - 80%. Elastigroup is a proactive application scaling service, designed to optimize compute in the cloud. It uses predictive algorithms to anticipate interruptions in cloud excess capacity such as AWS Spot Instances, Google Preemptible VMs, and Azure Low-Priority VMs and achieves an enterprise-grade SLA by intelligently shuffling and distributing workloads.

Our solution takes advantage of excess capacity offered at a discount by all of the cloud vendors. The catch is these budget resources can go away when the cloud vendor needs them. To keep your application from shutting down in the middle of an operation, we use machine learning algorithms to understand when this is going to happen, shifting you to other available resources as needed on the fly.

GlobalDots' Cloud Management Platform

We offer a cloud management platform that enables companies to analyze and manage cloud cost, usage, security, and performance in one place. By using our platform companies can reduce hidden cloud costs, manage cloud performance and usage, and improve their cloud ROI.

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Software Defined Operations

GlobalDots provides real-time, automated configuration and control of software defined infrastructure for enterprises. App teams achieve agility with direct access to their favorite tools, while enterprises ensures control with continuous security & compliance.

Our unique positioning on the global market enables us to be at the forefront of every new technology and with that unique expertise we help our clients to quickly and cost effectively choose, test and deploy the best solutions to service their customer base.

To get in touch visit us online at: https://www.globaldots.com/speak-with-a-specialist/

ABOUT GLOBALDOTS

GlobalDots is the largest worldwide independent cloud and performance optimization integration partner. With more than 15 years in the acceleration business, GlobalDots has trained personnel to help clients achieve performance optimization, ROI boost, and cost reduction.

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